NO. R-10-146

BY: COUNCILMEMBERS MIDURA, CARTER, HEDGE-MORRELL AND

WILLARD-LEWIS

IN THE MATTER OF ENTERGY NEW ORLEANS, INC.’S APPLICATION OF ENTERGY NEW

ORLEANS, INC. FOR A CHANGE IN ELECTRIC AND GAS RATES PURSUANT TO COUNCIL

RESOLUTION R-06-459

DOCKET NO. UD-08-03

RESOLUTION AND ORDER APPROVING ENTERGY NEW ORLEANS, INC.’S REQUEST TO

CHANGE ACCOUNTING TREATMENT OF COSTS RELATED TO ENERGY SMART

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City

of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental

body with the power of supervision, regulation and control over public utilities providing service within

the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation and control over public utilities, the Council

is responsible for fixing and changing rates and charges of public utilities and making all necessary rules

and regulations to govern applications for the fixing and changing of rates and charges of public utilities;

and

WHEREAS, Entergy New Orleans, Inc. (“ENO” or “Company”) is a public utility providing electric

service to all of New Orleans, except the Fifteenth Ward (“Algiers”), and gas service to all of New

Orleans; and

WHEREAS, Entergy Louisiana, LLC (“ELL”) provides electric service to the Algiers section of New

Orleans; and

WHEREAS, in Resolution R-09-136, the Council adopted the rate settlement embodied in the Agreement

in Principle (“2009 AIP”) entered into between its Advisors and the Company in Docket No. UD-08-03;

and

WHEREAS, among other provisions, the 2009 AIP included in base rates $3.1 million for an energy

efficiency program and was referred to as the “Energy Smart Plan Funds”; and

WHEREAS, pursuant to Resolution R-09-136, for accounting purposes, ENO was directed to treat the

Energy Smart Plan Funds in the following manner:

a. ENO shall account for the Energy Smart Plan Funds in a designated sub-account under FERC

Account 253—Other Deferred Credits (“Energy Smart Plan Fund Sub- account”). Each month

beginning July 2009, ENO will debit FERC Sub-account 930.2—Miscellaneous General Expense and

will credit the amount of approximately $258,333, which shall be the monthly amount deemed to

have been collected from customers for the energy efficiency programs…

WHEREAS, by letter dated March 10, 2010, ENO requested that the Council approve a different

treatment for the Energy Smart Plan Funds; and

WHEREAS, according to ENO, “…after conducting an internal analysis, the Company believes that

Account 908—Customer Assistance Expenses (Major only) is the proper account for these costs… The

FERC definition of Account 908 is as follows:

This account shall include the cost of labor, materials used and expenses incurred in providing

instructions or assistance to customers, the object of which is to encourage safe, efficient and

economical use of the utility’s service.”

WHEREAS, it is ENO’s belief that this modification to the designated account for costs related to energy

efficiency is appropriate under the FERC Uniform System of Accounts and under Generally Accepted

Accounting Principles (“GAAP”) for financial reporting purposes; and

WHEREAS, for the purposes of administrative efficiency, consistency, transparency and compliance with

the FERC Uniform System of Accounts, ENO proposes to treat the Energy Smart Plan Funds in the same

manner for regulatory purposes retroactively to January 1, 2010; and

WHEREAS, the Council’s Advisors have considered ENO’s request and find it reasonable; now,

therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

ENO is hereby authorized to deviate from the directives of Paragraph 5a of the 2009 AIP with respect to

the accounting treatment of costs related to energy efficiency by reflecting the monthly amount

deemed to have been collected from customers for the Energy Smart Plan, formerly directed to be

debited to Account 930.2—Miscellaneous General Expense, to instead be reflected in Account 908—

Customer

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144 of 438 Assistance Expenses (Major only) for regulatory purposes. This change shall not affect the

monthly amounts collected from customers for the Energy Smart Plan nor the Council’s ability to

monitor or audit these amounts.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE

ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Carter, Clarkson, Head, Hedge-Morrell,

Willard-Lewis - 5

NAYS: 0

ABSENT: Fielkow, Midura - 2

AND THE RESOLUTION WAS ADOPTED.